



Agenda Item Number: 2004-11-4A

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: November 23, 2004

Department: Solid Waste **Staff Contact:** Tim West, Deputy County Manager for Public Works
Kim McKibben, Solid Waste Director

TITLE: Residential Roadside Solid Waste Collection and Billing and Delinquent Payment Services Agreement

ACTION: Motion to:

1. Award RFP 09-05-BH for Residential Roadside Solid Waste Collection and Billing and Delinquent Payment Services Agreement to Waste Management of New Mexico, Inc. (WMNM)
2. Approve the Residential Roadside Solid Waste Collection and Billing and Delinquent Payment Services Agreement for eight years with WMNM.
3. Approve twice monthly curbside recycling.
4. Establish Solid Waste consumer service rates to be effective January 2005 and to annually increase the consumer service rate by the consumer price index effective January of each year starting in 2006.

SUMMARY:

The Selection Committee recommends the award of RFP# 09-05-BH to Waste Management of New Mexico, Inc. and Board approval of the Residential Roadside Solid Waste Hauling and Billing Services Agreement for a period of eight years. The current agreement expires December 31, 2004 necessitating the need for a new agreement to ensure continuation of services without disruption to approximately 21,000 customers.

The agreement requires the contractor to provide carts to new customers and to replace used carts on an as-needed basis. This negotiated arrangement includes the use of approximately 1200 carts currently owned by the Solid Waste Department. The distribution of the carts by the contractor will result in a \$25,000 residual value payment being made to the County by the Contractor. The negotiated agreement also requires the contractor to increase the number of roll-off containers from 72 to 100 for use in County sponsored community cleanup events. This service includes delivery and tipping fee expenses of approximately \$30,000. Negotiations with WMNM have resulted in the best rates made available to the solid waste customer as identified in Attachment 2. The negotiated agreement provides for annual rate adjustments based on the Consumer Price Index (CPI).

Since the beginning of the program in 1997 the rate for solid waste collection service has remained the same at \$10.50 per month for all service areas and the cost of hauling and billing services has increased approximately 16.6% (Attachment 3). This increase has been absorbed by the efficiencies of the Solid Waste Department and the high rate of service fee collection. The

Department has decreased staff and has utilized the cost savings from previous years. All of the efficiencies have been reached and the collection rate has leveled out. The current revenues projected for solid waste service equals the budget approved for FY2004/2005 Solid Waste Operation.

The new contract increase in hauling and billing services rates amount to an increase of 11%. To effectively operate within the proposed agreement rate structure will require a customer rate increase of 3.5% establishing a customer rate of \$10.86/month, \$130.32/year, an increase of \$0.36 per month over the current rate. An additional cart fee at \$4.00/month, \$48.00/year is proposed for carts in excess of one.

Curbside recycling is proposed with twice-monthly collection offered to the customer at the cost of \$2.95/month \$35.40/year. This service would be required of all customers to enable the fiscal plan to accommodate recycling and could begin in six months and be phased in over a nine-month period to the three service areas. One of the most requested services of the solid waste program has been for comprehensive recycling. A curbside recycling component provides greater convenience to the customer and would compliment the existing green waste program currently in place.

Customers will continue to receive a high standard of service for residential collection, large item pickup, handicap service, and neighborhood cleanups. Excellent customer service will be maintained and the itemized billing will be easily read and include all of the pertinent account information. The billing will also include educational information on neighborhood cleanups, household hazardous waste and illegal dumping on a periodic basis and an annual Customer Service Survey.

ATTACHMENTS:

1. Two (2) Originals of Contract for Solid Waste Residential Roadside Solid Waste Collection and Billing and Delinquent Payment Services Agreement
2. Customer Service/Price list
3. Table of consumer price index increases (CPI)
4. Request For Proposal Summary

FISCAL IMPACT

Contractual Services		
Solid Waste Residential	BC10-560100-16SP	\$1,107,254.00
Hauling and Billing		

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

The current residential roadside solid waste collection program has been in place for eight years. The \$10.50 per month fee has remained the same over this time period, yet the contract with waste management called for rate increases that were absorbed by the Solid Waste Department which is on Enterprise Fund (16.6%). The new rate would be \$10.86 per month plus \$2.95 for twice monthly curbside recycling pickup for a total of \$13.81 per month. I recommend Board approval. TL 11/17/04

DEPUTY COUNTY MANAGER FOR PUBLIC WORKS

The Solid Waste Department is currently operating within its annual budget and without surplus at year's end. The recommended award to WMNM proposes a solid waste customer increase of approximately 36 cents per month to fund the cost of service to be provided by WMNM. To fund future anticipated cost of service increases as established by the CPI requires an adjustment to the customer monthly rate by the same CPI adjusting percentage. This accommodation will enable a continued comparable service at lowest cost to the customer without subsidy from sources other than Solid Waste revenue.

Recycling is an option that the Board may want to require within the unincorporated area for purposes of reducing the demand on the environment as a whole for raw material resources, and offering the opportunity to recycle to the customer that does not exist presently. Recycling costs are such that the recycling program would require the participation of all curbside collection customers, and while desired by some, will not be wanted by others. I recommend approval of the award of the RFP and Solid Waste Services Agreement. TW 11/3/04

LEGAL

This Agreement has a term of eight (8) years; rate adjustments based on the CPI; provides for collections and billing; contains the County of Bernalillo standard indemnity clause; performance bonds for the collection and billing services; and provides for termination for cause by the County with an opportunity for cure of the default by Contractor. Roadside Residential Solid Waste Collection and Billing and Delinquent Payment Collection Services Agreement approved as to form. TDC 11/3/04

FINANCE

Budget

Approval will allow the County to award RFP 09-05-BH for residential roadside solid waste collection and the processing of billing and delinquent payment services to WMNM, who was the only responsive offerer. No budget increase is needed at this time. The residential roadside hauling and billing action has adequate funding in place to account for additional expenses required for FY04/05. Curbside recycling will not result in any fiscal impact until FY05/06. Any future increases necessary for both of these services will be included in the FY05/06 budget. Priscilla L. Gutierrez, Budget Analyst Sr. 11/3/04

Purchasing

Proper purchasing procedures were followed in the solicitation, evaluation and contract negotiations of RFP# 09-05-BH - Residential Roadside Solid Waste Collection and Billing and Delinquent Payment Services. The Purchasing Department concurs with the RFP Selection Committees recommendation to award the Agreement to WMNM. Lisa Sedillo-White, Purchasing Director 11/3/04

Contracts

A Contract Control Number will be issued upon execution of Agreement by all applicable parties. A Performance Bond and Insurance Certificate for Residential Roadside Solid Waste Collection and Billing and Delinquent Payment Services have been obtained. If approved, the effective date of the Agreement is 1/1/2005. Lisa Sedillo-White, Purchasing Director 11/3/04

Risk Management

The Contractor has provided a Certificate of Insurance naming the County as an additional insured with the like kinds and amounts of insurance referenced in Part 1 – Section A of the RFP. David Baca, Risk Management Administrator 11/3/04